BRITISH COLUMBIA

BC STATS Infoline

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highlights

a weekly digest of recently released British Columbia statistics

Labour Force

- **British Columbia employment grew by 16,400 (seasonally adjusted) in August, up 0.8% since July.** There were 8,600 new entrants in the labour force, increasing the total number by 0.4%, and the participation rate rose by 0.2 percentage points. The unemployment rate continued to drop in August falling from 8.2% to 7.8%.

  Part-time jobs in BC grew almost as much as full-time jobs (8,000 compared to 8,400). Part-time employment was mostly responsible for the rise in female employment, while most of the new jobs for men were full-time. The overall change in employment during July resulted in the share of part-time employment growing from 22.6% to 22.8% of the total. *Source: Statistics Canada*

- **BC seasonally adjusted unemployment fell since July (-4.4%), and the actual number of unemployed decreased by 4,100 people.** Employment grew for men of all ages by 10,200, and for women by 6,200. For men, employment increased for members of all age groups. Women who were of the ages 25+ experienced a slight decline in employment while women aged 15-24 were responsible for the increase.

  The three-month moving average of the unemployment rate was 7.3% in Victoria and in Vancouver, lower than the BC figure (8.2%). Mainland/Southwest (7.3%) and Kootenay (7.7%) were the regions with the lowest unemployment rates. Cariboo maintained the highest unemployment rate, at 12.7%. *Source: Statistics Canada*

  Goods producing industries led the growth in employment last month. The number of jobs rose 2.2% in these industries, compared to 0.5% in the service sector. Utilities (-6.3%) and manufacturing (-0.5%) experienced declines in employment, while agriculture grew 4.4%, and construction advanced 5.4%. In the service sector, finance and related (+4.4%) and professional, scientific, and technical services (+4.1%) employment grew the most, whereas transport and warehousing (-3.4%), accommodation (-2.3%) and public administration (-1.5%) experienced declines. *Source: Statistics Canada*

- **Private sector employment was the main factor in job growth in July, increasing 1.0% since last month, compared to an increase of 0.7% for the public sector.** Private employment in BC accounted for 63.1% of the total employment, a slight increase from 62.6% at this point last year. The number of self-employed persons grew in BC by 0.5% in August, recovering from its 0.5% loss in July.

  So far this year there has been a 0.2% increase in the average monthly employment levels compared to 2001. *Source: Statistics Canada*

- **Canada's unemployment rate fell slightly by 0.1 percentage points (seasonally adjusted).** The labour force grew 0.3%, and the 0.4% rise in employment ensured the unemployment rate did not increase. Employment growth was strongest in Nova Scotia (+1.5%) and Prince Edward Island (+1.5%), while Manitoba faced the largest decline (-0.4%). *Source: Statistics Canada*

Report **The Effect of Regional Unemployment Rates on Employment Insurance Entitlement**

Did you know...
Of Canadians who have access to cable internet service, almost 15% had adopted it as of August 2001.

Help-Wanted

- **British Columbia's August 2002 help-wanted index (for the number of help-wanted ads placed in metropolitan newspapers) decreased slightly since July (-1.1%) to 96.8, which made it 16.7% lower than in August of 2001.** Canada's help wanted index also fell over the same period (-11.9%). Relative to the 1996 base year of the index, the August 2002 number of help wanted ads is much higher in Canada (126.9), than in BC (96.8). BC's index is still significantly less than the next lowest province (Quebec, 121.2) while PEI had the largest number in August with an index level of 205.7.

Source : Statistics Canada

Electrical Power

Net generation of electric energy in BC during June increased to 4,125 gigawatt hours (GW.h), up 11.3% from the same month of last year. Total Canadian generation fell 0.4% over the same period. Imports in BC decreased 8.1% to 863 GW.h, and exports also decreased 3.5% from 243, to 235 GW.h. .

The first half of 2002 shows net generation totalling 29,449 GW.h, up 3.9% over the previous year's period. Exports, at 2,029 GW.h were down 25.1% and imports, at 3,742 GW.h, have been drastically reduced to 33.9% less than the same period last year. *Source: Statistics Canada*

Building Permits

- **The value of building permits fell 5.7% (seasonally adjusted) in BC during July.** This was due to declines in both residential (-2.8%) and non-residential (-10.3%) permits. Large increases in industrial (+147.7%) were insufficient to offset the drop in commercial (-32.6%) values of building permits (in areas of British Columbia with population of more than 10,000). July building permits in Vancouver fell in value by 15.1% on a monthly basis, and Victoria values have dropped by 8.8%.

  Compared to this far into 2001, the 2002 January to July value of non-residential building permits is 27.2% lower. The value of residential building permits is 33.6% higher this year. Government permits in BC have changed the most compared to this year's January to July numbers, having registered a decline in value of 46.4%. The commercial sector followed suit, sinking by 21.1% due to lower construction intentions for office buildings in the Vancouver region.

  Among the provinces, Quebec experienced the largest gain in absolute in residential permits, the value growing from $417 million in June to $488 million in July. Quebec also recorded the greatest decrease in non-residential permits from $299 million to $253 million during the same period.

  Northwest Territories experienced the largest percentage wise growth in residential building permits (+204.4% seasonally adjusted) while Nunavut posted the largest gain in non-residential (+236.6%). Prince Edward Island (-27.7%) and Saskatchewan (-9.1%) were the only other provinces that experienced declines in the value of building permits from June to July.

  Advantageous mortgage rates, strong employment numbers, and scarcity of existing vacant dwellings have been responsible for the increase in building permits in Canada. The June to July increase in the value of residential building permits was 6.2%, and the increase in non-residential permits was 1.7%.

  Canada has experienced solid growth year-to-date, up 15.1% from January-July of 2001.

Source : Statistics Canada

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database (www.statcan.ca); otherwise the source is identified as 'SC' plus the publication name or catalogue number.

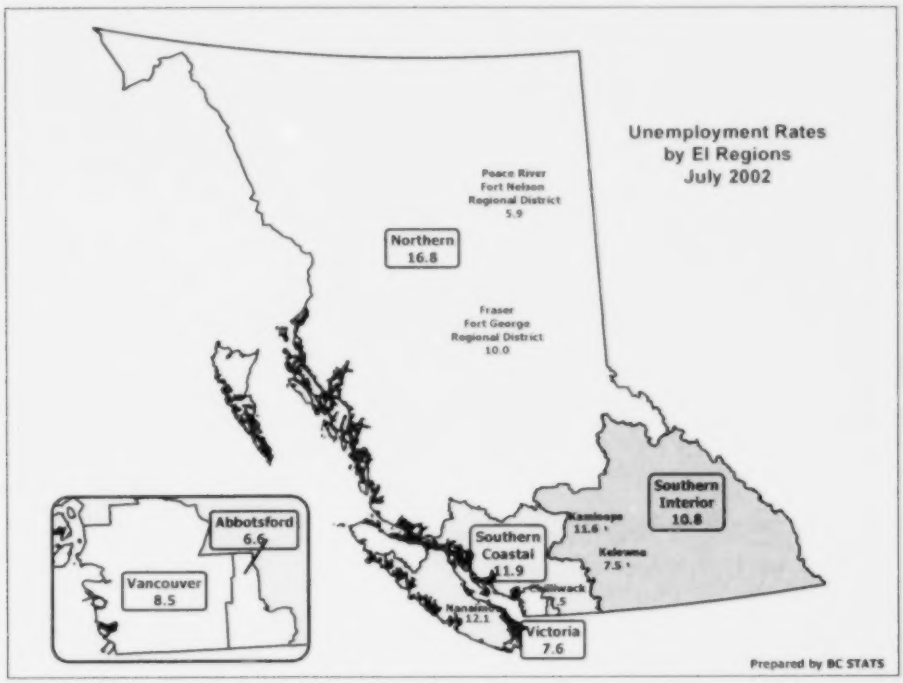
Sept. 06, 2002 *Infoline Report:* **Regional Unemployment and Employment Insurance**

Contact: Anne Kittredge, (250) 387-0374
Originally published in *Earnings and Employment Trends*, June/July 2002. Annual Subscription $60 + GST.

The Effect of Regional Unemployment Rates on Employment Insurance Entitlement

An individual's entitlement to Employment Insurance (EI) benefits depends on two factors: the number of hours worked in insurable employment and the unemployment rate in the region where the claimant lives. The latter effect, that is the local unemployment rate, on an individual's entitlement to benefits can be quite dramatic.

Across BC there are six "localized" EI Regions, three of which are Census Metropolitan Areas, Vancouver, Victoria and Abbotsford and three others encompassing the rest of the province. The latter three are very large and economically diverse areas. As the map below shows, the unemployment rate in these six areas, according to Human Resource Development Canada (HRDC), currently ranges from 16.8 per cent in the "Northern" region to 6.6 per cent in Abbotsford. The higher the unemployment rate, the less demanding are the requirements for entitlement to EI benefits.



Note: The unemployment rates in the boxes represent the HRDC unemployment rates upon which the benefit entitlements are based. These unemployment rates are based on the Labour Force Survey adjusted to include the unemployment rates of aboriginal peoples living-on-reserve. The other unemployment rates shown are not comparable as they do not include aboriginal peoples living-on-reserve and in the case of the supplementary rates for the North, the time frame is the 2000/2001 average from the LFS rather than the current 3 month average. These supplementary rates are included only to give an indication of the differential unemployment rates that can occur within an EI Region.

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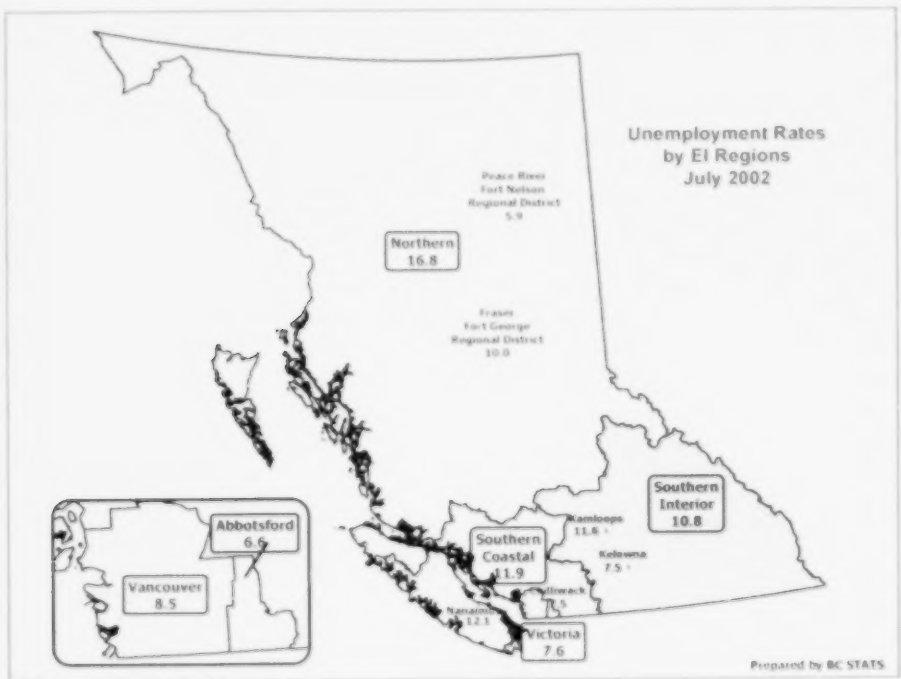

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Currently, to be entitled to benefits at all, an unemployed individual in the Northern Region must have worked at least 420 hours while his or her counterpart in Abbotsford has to have worked a minimum of 665 hours. That difference is 245 hours, or six weeks based on a 40 hour workweek. The other 4 regions fall somewhere in between. Besides determining the entrance requirements, the local unemployment rate also dictates how long a person is entitled to benefits. In the high unemployment area of the North, an individual is entitled to benefits for up to a maximum of 45 weeks, whereas the maximum number of weeks of benefits for someone living in Abbotsford is only 38 weeks, seven weeks fewer.

The rules dictating the entrance requirements and entitlement periods are in place to enhance the workforce adjustment process. In areas where jobs are easier to find, the more stringent entrance requirements and shorter entitlement periods prod claimants to find work quickly. On the other hand, providing income support for longer periods to the unemployed living in areas where jobs are more difficult to find, assists the unemployed directly plus helps soften the overall hardship for communities suffering through economic downturns. In effect, the EI program is used as a policy tool for transferring income from the more economically robust communities to communities undergoing hard times.

A major concern for BC with the existing EI system is the fact that benefit entitlement is based on *average* unemployment rates within the three very large areas of the "Northern", the "Southern Interior" and the "Southern Coastal". As can be seen from the map on the previous page, within these three EI regions, the situation does arise where communities with high unemployment are situated in low unemployment EI Regions. Under such circumstances, the unemployed in these economically depressed communities would not be able to access full benefit from the EI system.

For example, the Southern Coastal EI region includes the Port Alberni area, a region very dependent on forestry and hence a region that suffers severe downturns. While the existing statistical system in Canada does not provide unemployment rates for areas as small as Port Alberni, we do know that Port Alberni is one of the most welfare dependent regions in BC. But because it sits in an EI region that is dominated by communities that are economically more diverse, such as those in the Fraser Valley and Squamish-Lillooet, the average unemployment rate for the EI Region is, in all probability, much lower than the Port Alberni rate. As a result, unemployed workers in the Port Alberni area have to work at least 490 hours to access EI, whereas persons living in communities in the Northern region with similar unemployment circumstances only have to work 420 hours to receive benefits.

Similarly, in the Southern Interior EI region, the Thompson-Nicola, a region also strongly dependent on the forest sector, sits side by side with the Okanagan, an area with a larger economic base. Currently, the unemployment rate for Kamloops is running at 1.5 times the unemployment rate in Kelowna. Thus, the relative "well-being" of the dominant Okanagan region keeps the average unemployment rate low, which in turn restricts access to the full benefit of the EI program for the more economically needy communities of the Thompson-Nicola region.

The Northern region includes virtually all areas north of Kamloops, including the Northeast where unemployment rates have been relatively low due to the boom in oil and gas, alongside the northern interior and coast regions which often suffer very high levels of unemployment. The "Northern" EI region consistently seems to have an unemployment rate close to or above the maximum rate[1], so economically depressed areas in the North receive what they should, maximum EI access. However, somewhat unfairly, unemployed persons in booming Fort Nelson and economically stable Kitimat are able to take advantage of far more lenient restrictions to EI than they would if benefits were based on their local unemployment rate.

[1] All areas with unemployment rates greater than 16 per cent are entitled to maximum EI access.

Ideally, unemployment rates for communities would be available on a monthly basis, but that is unlikely to happen without huge public expenditure on data collection. So the inequities that arise from using an average value to categorize everyone living in a non-uniform region are likely here to stay. However, the inequities might be mitigated somewhat if the regions were aligned more along similar economic bases rather than along geographic proximity to each other. For example, it would make more sense if Alberni-Clayoquot were in the same EI region as Skeena-Queen Charlotte rather than with the Fraser Valley. And, at first glance, there do not appear to be any real reasons why an EI Region has to be made up of contiguous areas. Within the next few years, Statistics Canada will redesign the Labour Force Survey sample. This presents an opportunity for HRDC to investigate ways to improve the economic homogeneity of each defined EI Region.

Infoline

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BC at a glance . . .

POPULATION (thousands)	Apr 1/02	% change on one year ago
BC	4,118.1	0.9
Canada	31,260.4	0.9
GDP and INCOME		
(BC - at market prices)	2001	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	130,396	2.2
GDP *($ 1997 millions)*	125,534	0.9
GDP *($ 1997 per Capita)*	30,648	-0.1
Personal Disposable Income *($ 1997 per Capita)*	19,177	0.8
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jun	2,781	-3.4
Merchandise Exports (raw) Jun	2,269	-10.6
Retail Sales (seasonally adjusted) Jun	3,401	6.4
CONSUMER PRICE INDEX		
(all items - 1992=100)	Jul '02	% change on one year ago
BC	118.5	1.9
Canada	119.6	2.1
LABOUR FORCE (thousands)		
(seasonally adjusted)	Aug '02	% change on one year ago
Labour Force - BC	2,171	3.4
Employed - BC	2,001	3.6
Unemployed - BC	170	0.7
		Aug '01
Unemployment Rate - BC *(percent)*	7.8	8.0
Unemployment Rate - Canada *(percent)*	7.5	7.3
INTEREST RATES (percent)	Sep 4/02	Sep 5/01
Prime Business Rate	4.50	5.75
Conventional Mortgages - 1 year	5.35	6.20
- 5 year	6.95	7.45
US/CANADA EXCHANGE RATE	Sep 4/02	Sep 5/01
(avg. noon spot rate) Cdn $	1.5663	1.5601
US $ *(reciprocal of the closing rate)*	0.6381	0.6423
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Aug '02	% change on one year ago
BC	668.08	4.0
Canada	652.60	2.6

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

On our Web Site!

SOCIO-ECONOMIC INDICES

... providing comparisons across regions of the province on indicators of human economic hardship, crime, health problems, education concerns, and for two target groups - children at risk and youth at risk. The indices have been designed to aid analysts in their knowledge and understanding of regional conditions. Regional Districts and Local Health Areas are compared on maps and graphs, with supporting and supplementary data in table format.

Also on our site are Socio-Economic Profiles, each a 9 page presentation in table and graph format of indicators for Regional Districts, Local health Areas and College regions are available.

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Regional Economic Indicators

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Released this week by BC STATS

- Business Indicators, August 2002
- Current Statistics, August 2002

Next week

- Labour Force Statistics, August 2002
- Quarterly Regional Statistics, 2nd Quarter 2002

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